



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Passenger Vehicle Light Truck Tires (PVLТ) from China: Final Results of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that certain exporters/producers of passenger vehicle light truck tires (PVLТ tires) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) January 1, 2020, through December 31, 2020.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Nicholas Czajkowski or Richard Roberts, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-1395 or (202) 482-3464, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review on September 8, 2022, in the *Federal Register*, and invited interested parties to comment.¹ For a detailed description of the events that occurred subsequent to the *Preliminary Results*, see the Issues and Decision Memorandum.² On December 7, 2022, in accordance with section 751(a)(3)(A) of the

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2020*, 87 FR 54961 (September 8, 2022) (*Preliminary Results*).

² See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review Passenger Vehicles and Light Truck Tires from the People's Republic of China; 2020," dated concurrently with this memorandum (Issues and Decision Memorandum).

Tariff Act of 1930, as amended (the Act), Commerce extended the deadline for issuing the final results until March 7, 2023.³

Scope of the *Order*⁴

The products covered by the scope of the *Order* are PVL T tires from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum and are listed in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on comments received from interested parties and issues originating from verification, we revised the calculation of the net countervailable subsidy rates for Sumitomo Rubber (Hunan) Co., Ltd. (SRH). For a discussion of the issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the

³ See Memorandum, "Extension of Deadline for Final Results of the Countervailing Duty Administrative Review; 2020," dated December 7, 2022.

⁴ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*Order*).

recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying all of Commerce's conclusions, including our reliance, in part, on facts otherwise available, including adverse facts available, pursuant to sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

Non-Selected Companies' Rate

Commerce made no changes to the methodology from the *Preliminary Results* for determining a rate for companies not selected for individual examination. However, due to changes in the calculation for SRH, we revised the non-selected rate accordingly. Consequently, for each of the eight non-selected companies for which a review was requested and not rescinded, we are applying an *ad valorem* subsidy rate of 11.05 percent.

Final Results of Review

We find the following net countervailable subsidy rates for the period January 1, 2020, through December 31, 2020, as follows:

Producer or Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Sumitomo Rubber (Hunan) Co., Ltd. ⁶	11.05
Review-Specific Average Rate Applicable to the Following Companies⁷	
Jiangsu Hankook Tire Co., Ltd.	11.05
Kumho Tire Co., Inc.	11.05
Kumho Tire (Tianjin) Co., Inc.	11.05
Prinx Chengshan (Shandong) Tire Company Ltd.	11.05
Qingdao Nexen Tire Corporation	11.05
Shandong Haohua Tire Co., Ltd	11.05
Shandong Province Sanli Tire Manufactured Co., Ltd.	11.05

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁶ Commerce finds the following companies to be cross-owned with Sumitomo Rubber (Hunan) Co., Ltd.: Sumitomo Rubber (China) Co., Ltd. and Sumitomo Rubber (Changshu) Co. Ltd.

⁷ This rate is based on the rate for the respondent that was selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. *See* section 735(c)(5)(A) of the Act.

Disclosure

Commerce intends to disclose calculations and analysis performed for the final results of review within five days after the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Assessment Requirements

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the above-listed companies with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary

information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

The final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: March 7, 2023.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Rate
- V. Use of Facts Otherwise Available and Application of Adverse Inferences
- VI. Subsidies Valuation
- VII. Analysis of Programs
- VIII. Analysis of Comments
 - Comment 1: Whether Commerce Should Continue to Find Use of the Export Buyer's Credit (EBC) Program
 - Comment 2: Whether the Provision of Land-Use Rights for Foreign-Invested Enterprises (FIE) for Less Than Adequate Remuneration (LTAR) Is Export-Contingent and Specific
 - Comment 3: Whether Commerce Should Find that the Chinese Markets for Carbon Black and Synthetic Rubber Are Distorted
 - Comment 4: Whether Commerce Should Include IHS Markit Data in Input Benchmark Calculations
 - Comment 5: Whether Commerce Correctly Calculated Inland Freight Costs in the Nylon Cord Benchmark
 - Comment 6: Whether the Benchmark for Electricity Includes Value-Added Tax (VAT)
 - Comment 7: Whether the Provision of Inputs for LTAR Constitutes a Financial Contribution
- IX. Recommendation

[FR Doc. 2023-05105 Filed: 3/10/2023 8:45 am; Publication Date: 3/13/2023]